



**Consolidated Plan  
Annual Action Plan  
2023 – 2024**

**Program Year: July 1, 2023 – June 30, 2024**

## Expected Resources

### AP-15 Expected Resources – 91.320(c)(1,2)

#### Introduction

#### Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of Con Plan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	public - federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	18,806,749	0	11,246,773	30,053,522	75,226,996	CDBG funding will be allocated to four principal categories of usage: State Administration, State Technical Assistance, Planning Grant, and Community Improvement Grants includes public services as eligible activity.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of Con Plan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
HOME	public - federal	Acquisition Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership TBRA	11,249,059	1,403,076	0	12,652,135	50,608,540	HOME funds are allocated through the Affordable Special Needs Housing (ASNH), Down Payment Assistance (DPA), and CHDO Operating.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of Con Plan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
HOPWA	public - federal	Permanent housing in facilities Permanent housing placement Short term or transitional housing facilities STRMU Supportive services TBRA	1,631,954	0	0	1,631,954	8,159,770	HOPWA is administered through seven sub-grantees to provide housing assistance and support services.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of Con Plan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
ESG	public - federal	Conversion and rehab for transitional housing Financial Assistance Overnight shelter Rapid re-housing (rental assistance) Rental Assistance Services Transitional housing	3,205,897	0	0	3,205,897	16,029,485	ESG is allocated through a community-based process to provide rapid rehousing assistance.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of Con Plan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
HTF	public - federal	Acquisition Admin and Planning Homebuyer assistance Multifamily rental new construction Multifamily rental rehab New construction for ownership	7,563,732	71,791	0	7,635,523	30,542,092	NHTF is allocated through the ASNH program.

**Table 1 - Expected Resources – Priority Table**

**Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied.**

The federal resources will be leveraged along with other state resources to provide affordable housing, community development, and to address issues impacting the causes of homelessness. For the HOME program, the state will meet the required 25 percent match through the contribution of State general revenue funds to housing projects assisted with HOME funds and that meet the HOME affordability requirements.

CDBG projects do not have a specific match requirement, but applicants can enhance their competitiveness by incorporating local resources. ESG requires a dollar-for-dollar match. DHCD will use state general funds appropriation for homeless prevention and homeless services as the match for the ESG program. The HOPWA program does not have a match requirement.

**If appropriate, describe publicly owned land or property located within the jurisdiction that may be used to address the needs identified in the plan.**

Not applicable.

## **Annual Goals and Objectives**

### **AP-20 Annual Goals and Objectives – 91.320(c)(3)&(e)**

**Goals Summary Information**

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Create Competitive and Sustainable Communities	2023	2027	Non-Housing Community Development		Barriers to competitive/sustainable communities	CDBG: \$24,042,817	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 5000 Persons Assisted Public Facility or Infrastructure Activities for Low/Moderate Income Housing Benefit: 200 Households Assisted Public service activities other than Low/Moderate Income Housing Benefit: 1000 Persons Assisted Facade treatment/business building rehabilitation: 27 Business Jobs created/retained: 107 Jobs Businesses assisted: 20 Businesses Assisted Buildings Demolished: 20 Buildings

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
2	Increase access to safe and affordable housing	2023	2027	Affordable Housing Non-Homeless Special Needs		Lack of safe and affordable housing units	CDBG: \$6,010,714 HOME: \$11,949,059 HTF: \$7,635,523	Rental units constructed: 90 Household Housing Unit Rental units rehabilitated: 151 Household Housing Unit Homeowner Housing Added: 20 Household Housing Unit Homeowner Housing Rehabilitated: 90 Household Housing Unit Direct Financial Assistance to Homebuyers: 70 Households Assisted
3	Increase housing stability	2023	2027	Homeless		Individuals and families experiencing homelessness	HOPWA: \$1,631,954 ESG: \$3,205,897	Tenant-based rental assistance / Rapid Rehousing: 2100 Households Assisted

Table 2 – Goals Summary

### Goal Descriptions

1	Goal Name	Create Competitive and Sustainable Communities
	Goal Description	
2	Goal Name	Increase access to safe and affordable housing
	Goal Description	

<b>3</b>	<b>Goal Name</b>	Increase housing stability
	<b>Goal Description</b>	

## AP-25 Allocation Priorities – 91.320(d)

### Introduction:

DHCD seeks to improve the lives of Virginians by:

- Increasing the number of safe and affordable housing units
- Decreasing the number of individuals and families experiencing homelessness and housing instability
- Creating competitive and sustainable communities.

DHCD works to achieve these goals through:

- Leveraging of resources to support effective community programs working toward these goals
- Developing strategic partnerships to address barriers to achieving these goals
- Providing planning, coordination, and management of strategies to meet these goals.

### Funding Allocation Priorities

	Create Competitive and Sustainable Communities (%)	Increase access to safe and affordable housing (%)	Increase housing stability (%)	Total (%)
CDBG	80	20	0	100
HOME	0	100	0	100
HOPWA	0	0	100	100
ESG	0	0	100	100
HTF	0	100	0	100

Table 3 – Funding Allocation Priorities

### Reason for Allocation Priorities

Funds are allocated based on the Consolidated Planning process needs assessment and public input.

**How will the proposed distribution of funds will address the priority needs and specific objectives described in the Consolidated**

## **Plan?**

HOME and NHTF resources will be leveraged to address the affordable housing priority needs. Specifically, these funds will be used to fund rental rehabilitation and new construction projects that will add additional affordable housing units and/or preserve existing affordable units based on local needs.

HOPWA funds are limited to income eligible individuals with HIV/AIDS and their families. These funds will help provide to improve housing stability for income eligible households in the subpopulation.

ESG will be fully leveraged along with other state resources to reduce the number of individuals and families experiencing homelessness. These funds will also focus on shortening the length of time people experience homelessness and reduce the number of individuals returning to homelessness.

CDBG will be used to address locally identified needs to develop competitive and sustainable communities. These funds will be used in a number of ways including developing public facilities and/ infrastructures, creating/retaining jobs, developing affordable housing opportunities, and providing assistance to local business.

## AP-30 Methods of Distribution – 91.320(d)&(k)

### Introduction:

This section provides a summary of the methods of distribution for each of program administered by DHCD designed to allocate these federal resources (CDBG, HOME, ESG, NHTF and HOPWA). Please see program guidelines, located online at [www.dhcd.virginia.gov](http://www.dhcd.virginia.gov) for more details. The program guideline details include specifics about eligible applicants, areas of the state covered by the program, eligible activities, the type of assistance available, and how to apply (if applicable) for funding.

### Distribution Methods

**Table 4 - Distribution Methods by State Program**

<b>1</b>	<b>State Program Name:</b>	Affordable and Special Needs Housing
	<b>Funding Sources:</b>	HOME HTF
	<b>Describe the state program addressed by the Method of Distribution.</b>	The Affordable Housing and Special Needs Housing program provides flexible, below-market-rate loans to projects that create or preserve affordable housing for lower-income Virginians. Broadly, eligible activity types include rental and homebuyer rehabilitation and new construction. Please see the Affordable and Special Need Housing program guidelines for more details. DHCD allocates National Housing Trust Funds through the ASNH program. Please see the NHTF Allocation Plan for more details.

<p><b>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</b></p>	<p>HOME funds assigned to the Affordable and Special Needs Housing program will be distributed through a competitive application process that evaluates applicant projects on:</p> <ul style="list-style-type: none"> <li>• Meeting critical needs (worth 40 points)</li> <li>• Feasibility -likelihood of projects coming to a timely completion (worth 30 points)</li> <li>• Developer capacity -ability to successfully complete projects and deliver affordable housing (worth 30 points)</li> </ul> <p>DHCD will give a scoring preference to projects applying for HOME funds which are located outside of HOME entitlement or consortium localities, CHDO projects, and to rental projects which provide units for individuals with special housing needs.</p> <p>DHCD staff will review all applications received by the deadline. Applications not meeting established thresholds for funding will not be eligible. Any applicant may request comments and feedback from DHCD staff. All applicants must score at least 60 points on the application in order to be qualified for funding. DHCD will rank all qualified applications based on score and the highest scoring applicants will receive a funding commitment from DHCD based on project needs, up to the amount of funds available for the application period. If the full amount of available funding is not committed, it is carried forward into the next application period, as needed, to be made available to proposals meeting threshold requirements and scoring at least 60 points. Applicants that have outstanding audit or monitoring findings, unresolved IRS findings, and/or applicants not in compliance with previous DHCD agreements are ineligible for funding. Eligible applicants must be qualified developers of affordable housing, including certified CHDOs undertaking CHDO-eligible activities throughout the Commonwealth of Virginia. All funds are intended for use with other types of financing including, but not limited to, low-income housing tax credits, bond financing, and other public and private funds. Please note that HOME compliance requirements apply. Other funding source requirements must be compatible with HOME program requirements.</p>
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	DHCD allocates NHTF through ASNH program. Please see the NHTF Allocation Plan for more details.
<b>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</b>	Not applicable
<b>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</b>	Not applicable
<b>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</b>	Not applicable
<b>Describe how resources will be allocated among funding categories.</b>	DHCD will allocate funding by funding category based on submitted proposals, local market and need, and project eligibility. These categories include rental new construction, rental rehabilitation, and homebuyer development.

<p><b>Describe threshold factors and grant size limits.</b></p>	<p>All proposals must meet threshold requirements for funding. These include:</p> <ul style="list-style-type: none"> <li>• Eligible project type</li> <li>• Eligible activity type</li> <li>• Eligible applicant (no outstanding findings)</li> <li>• Local match (25 percent) provided for projects in HOME entitlement areas</li> <li>• Proposal meets uniform relocation requirements</li> <li>• Proposal meets accessibility requirements</li> <li>• Must score at least 60 points</li> </ul> <p>Maximum funding amount is \$2 million in federal resources for rental projects or up to 50% of total development costs for developments of for-sale homes. DHCD may charge up to an additional \$10,000 in project related costs for costs accrued by DHCD.</p> <p>DHCD allocates NHTF through the ASNH program. Please see the NHTF Allocation Plan for more details.</p>
<p><b>What are the outcome measures expected as a result of the method of distribution?</b></p>	<p>DHCD anticipates funding approximately 30 affordable housing projects through this open RFP process. The actual types, size, composition of projects will be based on this competitive process and will vary based on overall quantitative and quality of the proposal received, the local housing markets, and relative local need. Based on statewide trends and housing markets DHCD expects that most of the funded projects will be rental projects with at least some of these targeting special needs populations.</p>
<p><b>2</b></p>	<p><b>State Program Name:</b> CDBG Competitive Grants</p> <p><b>Funding Sources:</b> CDBG</p>

<b>Describe the state program addressed by the Method of Distribution.</b>	Competitive funds can be used to provide infrastructure for new or expanding industries, provide new or improved water and sewer systems in rural areas, rehabilitate housing in declining neighborhoods, revitalize commercial districts, provide support to small businesses, and provide facilities for a variety of needed services, such as health clinics in underserved areas. Applicants are required to prove that their project will meet one of three broad national objectives: principally benefit low- and moderate- income persons; prevent or eliminate slums or blight; or address an urgent community development need (public emergency or health threat).
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<p><b>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</b></p>	<p>Most CDBG assistance is distributed in the form of Competitive Grants with proposals due in the spring of each year. As the name suggests, these grants are awarded following competitive evaluation of project proposals. Approximately \$14 million will be available for Competitive Grants in 2023.</p> <p>There are five primary project types under the Competitive CIG option:</p> <ul style="list-style-type: none"> <li>• Comprehensive Community Development</li> <li>• Downtown Revitalization</li> <li>• Housing</li> <li>• Public Infrastructure</li> <li>• Community Service Facility</li> </ul> <p>Competitive grant proposals received by DHCD are evaluated qualitatively and quantitatively scored according to a 300-point scale based on the items identified below. The highest-ranking proposals are recommended for funding. Proposals are funded, in order of the ranking, to the greatest extent allowed by available funding. Following the closing date of the non-competitive programs, any funds remaining in the non-competitive programs and any program income received during the year are recaptured and made available to fund the next highest ranking competitive proposals. The next highest ranking additional proposals are funded to the greatest extent allowable by available funding.</p> <p>All competitive proposals are scored on a scale of 300 points with the following point values:</p> <ul style="list-style-type: none"> <li>• Composite Fiscal Stress Score (Maximum of 30 points)</li> <li>• Regional Priorities (Maximum of 15 points)</li> <li>• Generic Project Specific Evaluation (Maximum of 100 points)</li> </ul>
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	<ul style="list-style-type: none"> <li>• Costs and Commitment (Maximum of 75 points)</li> <li>• Project-Type Specific Evaluation (Maximum of 80 points)</li> </ul>
<b>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</b>	Grant administration manuals and the CDBG Program design are available from the DHCD website or by request.
<b>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</b>	Not applicable
<b>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</b>	Not applicable
<b>Describe how resources will be allocated among funding categories.</b>	Funding which has not been committed as of December 31 may be committed to Open Submission projects, Urgent Need projects, the next highest ranking Competitive Grant project (to the established cut-off point) or Planning Grants.

	<b>Describe threshold factors and grant size limits.</b>	Assistance is provided to non-entitlement units of local government. Up to \$1,000,000 is available for economic development, housing, and infrastructure projects, up to \$700,000 for community service facility projects, and up to \$1.5 million is available for projects that will comprehensively improve a neighborhood through water, sewer, street, and housing improvements. In cases of two or more localities participating in a project with a regional impact, some grant limits can increase. A unit of local government may not have more than \$2.5 million in CDBG open projects.
	<b>What are the outcome measures expected as a result of the method of distribution?</b>	DHCD anticipates infrastructure for new or expanding industries, new or improved water and sewer systems in rural areas, rehabilitated housing in declining neighborhoods, revitalized commercial districts, support to small businesses, and new facilities for a variety of needed services, such as health clinics in underserved areas.
3	<b>State Program Name:</b>	CDBG Open Submission Funding
	<b>Funding Sources:</b>	CDBG
	<b>Describe the state program addressed by the Method of Distribution.</b>	Approximately \$7,000,000 is available under the Open Submission Programs. Proposals are received on an open basis from July 1 through December 30, or until all funds are awarded, whichever occurs first.

<p><b>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</b></p>	<p>The Community Economic Development Fund (CED) is designed to support economic development activities, particularly those creating employment opportunities for low- and moderate-income persons, in CDBG-eligible localities. Assistance is limited to projects involving employment creation by private, for-profit basic industries. Assistance may include off-site improvements such as water lines, sewer lines, roads, and drainage. On-site assistance may be eligible in some projects, but these projects are subject to underwriting and the CDBG assistance will be made available as a loan to the locality.</p> <p>The Construction-Ready Water and Sewer Fund (CRWSF) program has been established to provide for the construction of community facility projects providing public water or sewer service to communities made up of at least 60% low- moderate- income (LMI) households or a town-wide project serving at least 55% LMI households. Only localities that are eligible for Virginia non-entitlement CDBG funds, as identified in the 2023 CDBG Program Design, are eligible to receive CRWSF monies.</p> <p>The Regional Water/Wastewater Fund (RWWW) is designed to address water and wastewater improvements on a regional scale. RWWW projects are limited to \$2.5 million (\$3 million for “super-regional, or three or more localities).</p> <p>The Community Development Local Innovation Fund provides resources for the implementation of new, innovative, and/or timely community development projects. The Local Innovation Program targets funding for innovative, small-scale pilot projects, such as Individual Development Account programs, loan programs to support economic restructuring activities, construction trades training programs, entrepreneurship development, heritage tourism, telecommunications, projects, or other efforts which provide unique, unmatched benefits to eligible Virginia communities.</p>
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	<p>The Public Services open submission program is designed to meet unique, immediate needs in a community. Single locality-led projects can receive up to \$250,000 in funding, or up to \$1,000,000 for regional public service projects.</p> <p>The Housing Rehabilitation Scattered Site program is aimed at improving LMI-occupied housing units to DHCD Housing Quality Standards. Scattered site housing projects must meet a 100% LMI benefit.</p> <p>Open Submission projects will receive funding on an open, first-come, first-served basis between July 1, 2023, and December 30, 2023. Projects that meet one or more CDBG national objectives and meet the below stated criteria will be offered an award as long as funds are still available.</p>
<p><b>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</b></p>	<p>Grant administration manuals and the CDBG Program design are available from the DHCD website or by request.</p>
<p><b>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</b></p>	<p>Not applicable</p>
<p><b>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</b></p>	<p>Not applicable</p>

	<p><b>Describe how resources will be allocated among funding categories.</b></p> <p>Proposals are received on an open basis from July 1 through the end of December, or until all funds awarded. Funding not committed as of the beginning of October may be committed to the next highest ranking Competitive Grant project, Urgent Need Open Submission grants, or Planning Grants.</p>
	<p><b>Describe threshold factors and grant size limits.</b></p> <p>The CED Fund provides up to \$700,000 per project.</p> <p>Other conditions of the CRWSF follow: No more than \$12,500 of CDBG funds per household served will be made available for installation or improvement of water services. No more than \$15,000 of CDBG funds per household served will be made available for installation or improvement of wastewater services. No single grant under the CRWSF will exceed \$500,000.</p> <p>The Regional Water/Wastewater Fund is limited to \$2.5 million for single locality-led projects, or \$3 million for super regional projects.</p> <p>Local Innovation Fund awards are available to receive up to \$1,000,000 per project.</p> <p>Public Services projects may receive up to \$250,000 for single locality-led projects, or up to \$1,000,000 for regional projects.</p> <p>Housing Rehabilitation Scattered Site projects may receive up to \$1,000,000 in CDBG funds.</p>
	<p><b>What are the outcome measures expected as a result of the method of distribution?</b></p> <p>DHCD anticipates increased economic development activity, improved water or sewer systems, and improved housing conditions, and community needs addressed.</p>
4	<p><b>State Program Name:</b></p> <p>CDBG Planning Grants</p>
	<p><b>Funding Sources:</b></p> <p>CDBG</p>

<b>Describe the state program addressed by the Method of Distribution.</b>	Virginia's CDBG Planning Grant program is designed to aid in developing clearly articulated strategies for addressing communities' greatest community development needs following meaningful citizen participation.
<b>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</b>	Planning Grants will receive funding on an open, first-come, first-served basis between July 1, 2023, and December 30, 2023. Projects that meet one or more CDBG national objectives and meet the below stated criteria will be offered an award as long as funds are still available.
<b>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</b>	Grant administration manuals and the CDBG Program design are available from the DHCD website or by request.
<b>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</b>	Not applicable
<b>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</b>	Not applicable
<b>Describe how resources will be allocated among funding categories.</b>	Funding which has not been committed as of December 31 may be committed to Open Submission projects, Urgent Need projects, and the next highest ranking Competitive Grant project (to the established cut-off point).

<p><b>Describe threshold factors and grant size limits.</b></p>	<p>Non-entitlement local governments are eligible for assistance. There are six categories of Planning Grants. The first two categories are considered Pre-Project type Planning Grants:</p> <ul style="list-style-type: none"> <li>• Community Organizing Planning Grants;</li> <li>• Community Needs Assessment / Economic Assessment Planning Grants.</li> <li>• Comprehensive Community Development Planning Grants;</li> <li>• Business District Revitalization Planning Grants;</li> </ul> <p>Housing Rehabilitation Planning Grants;</p> <p>Community Service Facilities Planning Grants;</p> <p>Public Services Planning Grants;</p> <p>Public Infrastructure Planning Grants;</p> <ul style="list-style-type: none"> <li>• Regional Project Planning Grants; and</li> <li>• Up to \$10,000 is available for community organizing, up to \$20,000 to conduct community and / or economic needs assessments, up to \$60,000 for CCD planning activities, up to \$50,000 for Housing Rehab, Community Service Facilities, Public Services, Public Infrastructure, and business district revitalization, and up to \$60,000 is available for regional project planning.</li> </ul> <p>Eligibility under this program is subject to the following minimum criteria:</p> <ul style="list-style-type: none"> <li>• Demonstration of a clear indication of community development needs and / or opportunities.</li> <li>• The needs identified must generally be eligible targets for future CDBG investments.</li> <li>• There must be evidence that local officials and stakeholders alike are committed to fully identifying and addressing local needs.</li> </ul>
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		<ul style="list-style-type: none"> <li>• There must be evidence that the locality and management team have the time, funding, and expertise to follow through with the planning process.</li> <li>• There must be a clear demonstration for the need of planning grant funds.</li> </ul>
	<b>What are the outcome measures expected as a result of the method of distribution?</b>	DHCD anticipates the development of clearly articulated strategies for addressing communities' greatest community development needs.
5	<b>State Program Name:</b>	CDBG Urgent Need
	<b>Funding Sources:</b>	CDBG
	<b>Describe the state program addressed by the Method of Distribution.</b>	Approximately \$1,000,000 is available under the Urgent Need Open Submission. Proposals are received on an open basis from July 1 through the end of December, or until all funds awarded.

<p><b>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</b></p>	<p>Eligibility under this program is subject to the following minimum criteria:</p> <ul style="list-style-type: none"> <li>• The proposed project must alleviate existing conditions which pose a serious and immediate threat to the health and welfare of the community; and,</li> <li>• The conditions developed or became urgent within 18 months of the date the proposal is submitted; and,</li> <li>• The applicant locality is unable to finance the project on its own, no other funding is available to address the problem, and the CDBG funding will be directly targeted towards alleviation of the threatening conditions; and,</li> <li>• The threat must be supported by either:</li> <li>• A current declaration of an emergency by the Governor of Virginia relative to a flood, a hurricane, a tornado, an earthquake, or other disaster event, not including droughts, snow, or ice conditions. OR</li> </ul> <p>A current declaration of an immediate and severe health threat by the State Health Commissioner relative to the complete failure of a public water or sewer system or incident of similar significance.</p>
<p><b>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</b></p>	<p>Grant administration manuals and the CDBG Program design are available from the DHCD website or by request.</p>

	<b>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</b>	Not applicable
	<b>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</b>	Not applicable
	<b>Describe how resources will be allocated among funding categories.</b>	CDBG Urgent Need Open Submission funding is available to enable prompt response to existing serious and immediate threats to local health and safety. Urgent Need Open Submission Projects will receive funding on an open, first-come, first-served basis between July 1, 2023, and December 30, 2023.
	<b>Describe threshold factors and grant size limits.</b>	A current declaration of an emergency by the Governor of Virginia relative to a flood, a hurricane, a tornado, an earthquake, or other disaster event, not including droughts, snow, or ice conditions.  OR  A current declaration of an immediate and severe health threat by the State Commissioner of Health relative to the complete failure of a public water or sewer system or incident of similar significance.
	<b>What are the outcome measures expected as a result of the method of distribution?</b>	DHCD anticipates prompt response to existing serious and immediate threats to local health and safety.
6	<b>State Program Name:</b>	CHDO Operating Support
	<b>Funding Sources:</b>	HOME

<b>Describe the state program addressed by the Method of Distribution.</b>	The CHDO Operating Support Program will provide operating support to state certified CHDOs with operating budget needs.
<b>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</b>	The CHDO must be able to demonstrate a need for operating support, must have an ASNH-HOME project award with a project not yet completed. Applications will be accepted on an open submission basis while funds are available.
<b>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</b>	Not applicable
<b>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</b>	Not applicable
<b>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</b>	Not applicable
<b>Describe how resources will be allocated among funding categories.</b>	Only CHDO operating expenses are considered eligible expenses. Project costs are not eligible.
<b>Describe threshold factors and grant size limits.</b>	CHDOs with demonstrated needs and ASNH HOME awards are eligible for up to \$30,000. CHDO Operating Support grants will be issued as one-year reimbursement-only contracts. Based on available funds, CHDO in good standing with projects underway may requests a one-year renewal.

	<b>What are the outcome measures expected as a result of the method of distribution?</b>	DHCD anticipates supporting three CHDOs during the program year with the CHDO Operating Support Program.
7	<b>State Program Name:</b>	Down Payment Assistance
	<b>Funding Sources:</b>	HOME
	<b>Describe the state program addressed by the Method of Distribution.</b>	DPA provides down payment and closing costs assistance to income eligible (80 percent or below AMI) first-time homebuyers to obtain homes that are decent, safe and accessible. The program goal is to provide homeownership opportunities to households that otherwise may not have the opportunity to own a home. By providing these opportunities, DHCD helps to sustain affordable housing units and overall growth in personal wealth and equity for low-income Virginians. The DPA program seeks to provide this assistance statewide through local sub-recipients that provide comprehensive homeownership services including for example housing counseling, debt repair services, and foreclosure prevention.

<p><b>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</b></p>	<p>DPA is administered on a calendar year with the next grant year beginning January 2024. DPA will be administered by regional state sub-recipients selected through a competitive application process prior to the start program year. Sub-recipient selections are made as a result of an open competitive application process whereby proposals meeting threshold requirements are scored and ranked based on the following categories:</p> <ul style="list-style-type: none"> <li>• Need (40 percent)</li> <li>• Organizational capacity (30 percent)</li> <li>• Program approach (30 percent)</li> </ul> <p>Applicants must be a non-profit or a unit of government targeting services to individuals living within Virginia. All nonprofit applicants must have and be current on 990 filings (not applicable to units of government). Applicants must demonstrate the ability to manage all applicable state and federal policies and procedures including compliance with federal and state nondiscrimination laws. Applicants must be experienced with providing similar assistance and should provide a comprehensive approach to homeownership. All applicants must demonstrate the ability to coordinate DPA assistance with other HOME funds or other types of assistance. Applicants must have established internal control and fiscal accounting procedures and be able to track agency and program budgets by revenue sources and expenses. Applicants with outstanding audit findings, IRS findings, DHCD monitoring findings or other compliance issues are not eligible applicants and any sub-recipient selected for funding will not be eligible for subsequent allocations if any of these conditions occur.</p> <p>Please note that DHCD will work with all interested parties toward the resolution of unresolved matters, where appropriate. Applicants must</p>
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	<p>demonstrate the ability to meet all reporting and record keeping requirements.</p> <p>Please note, 2024 (January 1 - December 31) is year-one of a two-year funding cycle.</p>
<p><b>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</b></p>	<p>Not applicable</p>
<p><b>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</b></p>	<p>Not applicable</p>
<p><b>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</b></p>	<p>Not applicable</p>
<p><b>Describe how resources will be allocated among funding categories.</b></p>	<p>In the DPA program, HOME funds are limited to needed down payment and closing costs, the costs associated with conducted required inspections, and housing counseling.</p>

	<b>Describe threshold factors and grant size limits.</b>	<p>Applicants for subrecipient contracts must meet threshold requirements (listed above) and score at least 60 points based on a panel review of each proposal. Grant sizes to sub-recipient are awarded based on score, local market, and available funds. Assistance to homebuyers is based on underwriting criteria and based on need. Please note, 2024 (January 1 - December 31) is year-one of a two-year funding cycle. Any balance not expended during the 2023/2024 program year will be allocated to a Performance Pool.</p> <p>Please note, the next round of applications for a new two-year cycle is Fall 2025.</p>
	<b>What are the outcome measures expected as a result of the method of distribution?</b>	DHCD anticipates assisting approximately 80 low/moderate income first-time homebuyers (households) with the DPA method of distribution.
8	<b>State Program Name:</b>	Virginia Homeless Solutions Program (VSHP)
	<b>Funding Sources:</b>	HOPWA ESG
	<b>Describe the state program addressed by the Method of Distribution.</b>	<p>The goals of the Virginia Homeless Solutions Program are:</p> <ul style="list-style-type: none"> <li>• To reduce the number of individuals/households who become homeless;</li> <li>• To shorten the length of time an individual or household is homeless; and</li> <li>• To reduce the number of individuals/households that return to homelessness.</li> </ul> <p>DHCD will meet these goals through supporting Continuum of Care (CoC) strategies and homeless service and prevention programs that align with these goals.</p>

<p><b>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</b></p>	<p>All funding requests must be justified by the application and meet a 60-point threshold for funding. DHCD reserves the right to make funding commitments below 60 points to assure geographic coverage. Scoring criteria are as follows:</p> <ul style="list-style-type: none"> <li>• Need and Outcomes -25 points</li> <li>• Local Coordination -50 points</li> <li>• Capacity and Approach -25 points</li> </ul> <p>Actual funding will be based on the following:</p> <ul style="list-style-type: none"> <li>• Requested amount (total request and spending plan)</li> <li>• Available funds</li> <li>• Application score</li> <li>• Local need</li> <li>• Alignment with state and federal strategies</li> <li>• Approach (proposed grantees, activities, and organizational capacity)</li> <li>• Negotiations</li> </ul> <p>Applications are scored lower where ineligible activities or activities that are not aligned with state and federal goals to prevent and reduce homelessness are proposed. Lower scores impact actual funding level. Spending requests are reduced based on ineligible activities, where activities are not in alignment with state and federal goals, and/or where proposed grantees are either ineligible or lack the capacity to carry out proposed activities. DHCD meets with each CoC to negotiate needed adjustments to proposed activities and spending plans.</p>
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	Please note, the 2023-24 program year is year-two of a two-year funding cycle.
<b>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</b>	Not applicable
<b>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</b>	<p>This application is a CoC-based application. Only applications submitted by the lead CoC organization are considered for funding. The application submitted by the lead CoC organization has to identify the local process for decision-making and the proposed grantees to be responsible for carrying out the HOPWA and ESG eligible activities. Eligible grantees include community and faith-based non-profits and units of local governments. There are 16 CoCs in the state of Virginia including the Balance of State CoC. The balance of State CoC includes 73 localities and is organized into 12 separate planning groups. For the purpose of this application these planning groups are considered CoCs.</p> <p>Written agreements for the upcoming program year will be issued to individual grantees by July 1, 2023. Please note, the 2023-2024 program year is year-two of a two-year funding cycle. Year two renewals amounts will be based on available funding and year-one performance.</p>

<p><b>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</b></p>	<p>This application is a CoC-based application. Only applications submitted by the lead CoC organization are considered for funding. The application submitted by the lead CoC organization has to identify the local process for decision-making and the proposed grantees to be responsible for carrying out the HOPWA and ESG eligible activities. Eligible grantees include community and faith-based non-profits and units of local governments. There are 16 CoCs in the state of Virginia including the Balance of State CoC. The balance of State CoC includes 90 localities and is organized into 12 separate planning groups. For the purpose of this application these planning groups were considered CoCs.</p> <p>Written agreements for the upcoming program year will be issued to individual grantees by July 1, 2023. Please note, the 2023-2024 program year is year-two of a two-year funding cycle. Year two renewals amounts will be based on available funding and year-one performance.</p>
<p><b>Describe how resources will be allocated among funding categories.</b></p>	<p>ESG is allocated primarily to rapid re-housing, but also as needed to shelter operations, and HMIS activities. Priority is given to rapid re-housing expenditures with ESG. Please note, that ESG is allocated in combination with state-funded homeless resources to fund an emergency crisis response system of services.</p> <p>HOPWA is allocated to tenant-based rental assistance, short-term rent, mortgage, and utility (STRMU) assistance, housing placement, housing information services (limited to HMIS related expenses) and supportive services based on actual contracted amounts.</p>

<p><b>Describe threshold factors and grant size limits.</b></p>	<p>Grantees are funded as a result of a CoC-based application process. The CoC-based application identified specific organizations that will carry out ESG and HOPWA activities. DHCD contracts directly with these individual organizations or grantees. Grantees must be non-profits or units of local government and current on 990 filings (not applicable to units of government). See the Other Requirements section of this document for more details on limits to funding primarily religious organizations.</p> <p>Grantees must be in compliance with program guidelines and applicable state and federal policies and procedures, including compliance with federal and state non-discrimination laws.</p> <p>Grantees must have established standard accounting practices including internal controls, fiscal accounting procedures and cost allocation plans, and be able to track agency and program budgets by revenue sources and expenses.</p> <p>Grantees with outstanding audit findings, IRS findings, DHCD monitoring findings or other compliance issues are not eligible grantees and any grantee will not be eligible to receive allocations if any of these conditions occur within the grant period. Please note that DHCD will work with all interested parties, where appropriate, toward the resolution of unresolved matters. Recent prior funding agreements must be within the past two years for one or more of DHCD's homeless or special needs services programs (HOPWA or VHSP). An organizational assessment includes a review of organization finances, accounting standards, internal controls, grievance policies, record keeping policies, confidentiality practices, conflict of interest policies, and fair housing practices.</p>
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	<p>DHCD reserves the right to require and conduct organizational assessments of any proposed grantee prior to the execution of any agreement. Please note, the 2023-2024 program year is year two of a two-year funding cycle. Year two renewals amounts will be based on available funding and year-one performance.</p>
<p><b>What are the outcome measures expected as a result of the method of distribution?</b></p>	<p>DHCD anticipates serving 300 households with TRBA and STRMU through the HOPWA funding stream. An additional 375 households will be transition quickly from homelessness to permanent housing with ESG rapid re-housing assistance. 1,800 individuals will be served with ESG rapid rehousing.</p>

**AP-40 Section 108 Loan Guarantee – 91.320(k)(1)(ii)**

**Will the state help non-entitlement units of general local government to apply for Section 108 loan funds?**

No

**Available Grant Amounts**

This section is not applicable.

**Acceptance process of applications**

This section is not applicable.

**AP-45 Community Revitalization Strategies – 91.320(k)(1)(ii)**

**Will the state allow units of general local government to carry out community revitalization strategies?**

No

**State’s Process and Criteria for approving local government revitalization strategies:**

Not applicable

## **AP-50 Geographic Distribution – 91.320(f)**

### **Description of the geographic areas of the state (including areas of low-income and minority concentration) where assistance will be directed:**

This Action Plan is for a state grantee. The commonwealth is extremely diverse in its racial and ethnic composition, and there are numerous areas across the state with concentrated communities of color, including Black, Hispanic, Asian, and others. The commonwealth's methods of distribution selects projects and proposals targeted at meeting priority local needs. During implementation, steps are taken to affirmatively further fair housing.

### **Rationale for the priorities for allocating investments geographically**

There are concentrations of poverty in every region of the state. This concentration varies based on local factors. The commonwealth's methods of distribution will select projects and proposals that address these needs within the context of local and regional needs.

### **Discussion**

Please see individual program guidelines for program details.

## Affordable Housing

### AP-55 Affordable Housing – 24 CFR 91.320(g)

#### Introduction:

Action Plan resource will assist more than 2,500 households within the Commonwealth of Virginia.

<b>One Year Goals for the Number of Households to be Supported</b>	
Homeless	1,800
Non-Homeless	421
Special-Needs	300
Total	2,521

**Table 5 - One Year Goals for Affordable Housing by Support Requirement**

<b>One Year Goals for the Number of Households Supported Through</b>	
Rental Assistance	2,100
The Production of New Units	110
Rehab of Existing Units	241
Acquisition of Existing Units	0
Total	2,451

**Table 6 - One Year Goals for Affordable Housing by Support Type**

#### Discussion:

The additional 70 households reflected in Table 8 but not Table 9 are those receiving direct financial assistance for homeownership through our down payment assistance program. Please see program guidelines for more details.

## **AP-60 Public Housing - 24 CFR 91.320(j)**

### **Introduction:**

Please see below for action taken to address the needs of public housing.

### **Actions planned during the next year to address the needs to public housing:**

Public housing authorities are eligible applicants for the state's HOME Affordable and Special Needs Housing program. This is an open competitive application process for affordable housing (homebuyer and rental projects). While assistance cannot be provided in public housing units, these funds may be used in projects that transition units and public housing residents from public housing. The ASNH program awarded several Rental Assistance Demonstration (RAD) projects with HOME and NHTF commitments.

### **Actions to encourage public housing residents to become more involved in management and participate in homeownership:**

DHCD supports PHAs and projects that encourage residents to become more involved in the management of rental properties. All CHDO projects must include residents in planning and management.

### **If the PHA is designated as troubled, describe the manner in which financial assistance will be provided or other assistance.**

There are no PHAs in Virginia with a troubled status.

## **AP-65 Homeless and Other Special Needs Activities – 91.320(h)**

### **Introduction**

The Commonwealth of Virginia has established a policy framework and the infrastructure to address homelessness and to better serve special needs populations. The policy framework, statewide committees, subcommittees, and workgroups are organized around priorities such as youth and older adult homelessness, solutions including rapid re-housing and permanent supportive housing, data, family and chronic homelessness, and veterans. Notably, DHCD meets monthly with the Permanent Supportive Housing (PSH) Steering Group, a cross-agency workgroup that focuses on the following populations: individuals with intellectual or developmental disabilities, individuals with serious mental illness, and individuals experiencing chronic homelessness. The group is in the process of developing coordinated referral methods to leverage existing and future PSH units.

### **Describe the jurisdictions one-year goals and actions for reducing and ending homelessness including:**

#### **Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs**

Since 2010, the commonwealth has decreased overall homelessness by 28%. The goal is to continue the decline annually through the administration of ESG, HOPWA, and state homeless assistance funding.

Within each of Virginia's 27 Continua of Care and Local Planning Groups, the Commonwealth seeks to support an effective emergency crisis response system to include street outreach, coordinated entry and assessment, targeted prevention, low-barrier emergency shelter, and permanent housing solutions, all in alignment with the Housing First approach, in order to achieve the following goals:

- Decrease the number of individuals experiencing homelessness;
- Decrease the length of time households are homeless;
- Reduce the number of households returning to homelessness.

#### **Addressing the emergency shelter and transitional housing needs of homeless persons**

In cases where the prevention of homelessness is not possible or safe, emergency shelter is supported as a temporary measure. DHCD funds emergency shelter operations that are low-barrier and housing-focused for households experiencing homelessness in Virginia. Types of shelters may include scattered site, congregate, seasonal, or hotel/motel vouchers.

DHCD does not fund transitional housing (TH), but all resources are leveraged with those throughout the commonwealth's CoCs and where TH is deemed appropriate, HUD CoC funds are requested. The goal for emergency shelter is to provide low barrier access and safe accommodations to resolve an immediate

housing crisis.

**Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again**

The commonwealth has adopted these goals and through the community-based funding application is able to ensure CoC/LPGs are making community-based decisions to ensure each CoC/LPG has an effective crisis response system.

An effective crisis response system is able to identify and quickly connect people who are experiencing or are at risk of experiencing homelessness to housing assistance and other services. It works because it aligns a community, its programs and services around one common goal – to make homelessness rare, brief, and one-time.

**Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); or, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs**

The commonwealth leverages state resources to prevent households from becoming homeless. These resources are targeted to households seeking shelter who are currently housed by at imminent risk of homelessness (within 14 days).

The following are examples of situations where prevention from homelessness may be feasible:

- Household living in someone else's unit (doubled up) where the right to occupy has been terminated;
- Household living in their own unit where housing loss within 14 days is imminent, and homelessness could be averted;
- Household living in hotel/motel (paid for by household) and the household is unable to pay for additional nights.

Prevention assistance is limited to those households who will imminently lose their primary nighttime residence within 14 days, household income must be below 30 percent of AMI with no more than \$500 in accessible assets (including all checking, savings, retirement accounts, stocks, bonds, mutual funds, and real estate). Additionally, the commonwealth participates in numerous state level committees to

address the intersections of homelessness and health care, mental health, criminal justice and the foster care system).

**AP-70 HOPWA Goals – 91.320(k)(4)**

<b>One-year goals for the number of households to be provided housing through the use of HOPWA for:</b>	
Short-term rent, mortgage, and utility assistance to prevent homelessness of the individual or family	200
Tenant-based rental assistance	100
Units provided in permanent housing facilities developed, leased, or operated with HOPWA funds	0
Units provided in transitional short-term housing facilities developed, leased, or operated with HOPWA funds	0
<b>Total</b>	<b>300</b>

## **AP-75 Barriers to affordable housing – 91.320(i)**

### **Introduction:**

As part of the development of the 2023-2027 Consolidated Plan, DHCD conducted an analysis of the impediments to fair housing. The following information below describes the key barriers to fair housing identified in the analysis. Of note, DHCD is in year one of the five-year Consolidated Plan, and the below activities describe intended lines of effort for each of the next five years. DHCD structures policies and programs to help address the barriers and helps to inform localities of the barriers and their responsibility to help address the impediments to fair housing.

### **Actions it planned to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment:**

1. DHCD aims to alleviate discrimination in housing markets through the following efforts:

- Increase testing and enforcement efforts in the rental and sales housing markets to ensure that members of protected classes are being offered an equal opportunity to access all housing options in their communities; publicize results of testing programs.
- Increase education efforts for landlords, leasing agents, and real estate professionals about their fair housing responsibilities; in particular, stress the importance of making reasonable accommodations for persons with disabilities.
- Increase education efforts for individuals seeking housing so they are aware when they are victims of discrimination and so that they are aware of their options to resolve the situation.
- Increase enforcement of affirmative marketing of affordable housing options to members of the protected classes.

2. DHCD aims to alleviate constraints in the mortgage lending market through the following efforts:

- Increased oversight of mortgage lending and denial practices.
- First-time homebuyer education, affirmatively marketed to minorities.
- Continued support of financial literacy and credit counseling initiatives.
- Increased awareness regarding the availability of Federal Housing Administration (FHA) and other government supported loans.
- Reassess HMDA data once 2023 changes have occurred which include additional applicant data (including creditworthiness).

3. DHCD aims to improve fair housing education through the following efforts:

- Increase fair housing educational opportunities for renters and homebuyers; in particular,

members of the protected classes.

- Increase the availability of seminars and classes for housing providers regarding fair housing law; expand such educational opportunities to include rural and non-metro areas, consider online venues.
- Up-to-date, relevant, and clearly written fair housing materials for individuals made readily available on multiple state websites and in housing providers' offices.
- Encourage housing providers and other relevant stakeholders to utilize social networking and social media to inform both clients and landlords of fair housing policy.
- Develop a model Tenant Selection Plan (TSP) which includes necessary language to ensure methods for collecting and evaluating housing applications are non-discriminatory. This document will be used as a baseline to score DHCD program applicants' intended adherence to fair housing best practices and incentivize subrecipients to prioritize these concerns.

4. DHCD aims to increase availability and access to affordable housing through the following efforts:

- Continued support of federal, state, and local efforts to preserve and produce quality affordable housing.
- Continued support of partnerships between nonprofit, state, local, and federal partners to efficiently leverage resources for the production of affordable housing.
- Support of public-private partnerships that create affordable and mixed-income housing.
- Support of efforts that match appropriately priced housing with varied transportation options.
- Promote the use of housing databases such as those offered by the Virginia Housing Development Authority (VHDA), <http://www.virginiahousingsearch.com/>.

**Discussion:**

Please see the full Analysis of the Impediments for more details.

## **AP-85 Other Actions – 91.320(j)**

### **Introduction:**

The Commonwealth of Virginia has established a Housing Policy Framework that includes a number of working committees that actively work to address underserved needs in Virginia. These committees are working to improve interagency coordination, to improve service coordination outcomes, and to address barriers.

### **Actions planned to address obstacles to meeting underserved needs:**

DHCD structures programs, policies, and procedures to help address underserved needs. These efforts include partnerships with affordable housing developers and the local housing authorities as well as other community development organizations. In addition, DHCD leverages HOME and CDBG funds with state resources to provide financial and technical assistance to affordable housing development projects across the commonwealth.

### **Actions planned to foster and maintain affordable housing:**

DHCD structures programs, policies, and procedures to help foster and maintain affordable housing in the commonwealth. These efforts include partnerships with affordable housing developers and the local housing authorities as well as other community development organizations. In addition, DHCD leverages HOME and CDBG funds with state resources to provide financial and technical assistance to affordable housing development projects across the commonwealth.

### **Actions planned to reduce lead-based paint hazards:**

DHCD received a Lead Paint and Healthy Homes grant, to be used for lead abatement, administrative, and capacity building activities across the Commonwealth except in those localities that have their own HUD lead grants - Richmond, Roanoke, and Chesterfield. DHCD is partnering with local health departments, and with other state agencies (i.e., Department of Health, Department of Social Services), and with our existing network of providers within our Rehab Program Portfolio to implement the program statewide, except as noted above.

### **Actions planned to reduce the number of poverty-level families:**

A number of DHCD programs support efforts to reduce the number of families living at or below the poverty level. These efforts include construction projects where assisted projects are required to provide local benefit in the form of hiring and/or contracting with qualified (local and low-income) individuals or businesses. In addition, DHCD leverages small businesses as well as other community development resources to develop economic opportunity in areas where employment and economic

benefits are limited. DHCD also promotes access to affordable housing in areas of opportunity.

**Actions planned to develop institutional structure:**

The Commonwealth of Virginia has established a Housing Policy Framework that includes a number of working committees that actively work to address underserved needs in Virginia. These committees are working to improve interagency coordination, to improve service coordination and outcomes, to address barriers, and to establish the necessary institutional structures.

**Actions planned to enhance coordination between public and private housing and social service agencies:**

The Housing Policy Framework and committee structure is composed of public and private housing providers and social services agencies that are working together across multiple subpopulations and state and federal agencies to enhance coordination. In addition, the Housing and Supportive Services Interagency Leadership Team, which is comprised of agency heads of state agencies, is actively working to improve the integration of community-based housing and services for individuals with intellectual and developmental disabilities, people with serious mental illness, and people who are chronically homeless.

**Discussion:**

More details are available online at [www.dhcd.virginia.gov](http://www.dhcd.virginia.gov).

## Program Specific Requirements

### AP-90 Program Specific Requirements – 91.320(k)(1,2,3)

#### Introduction:

#### Community Development Block Grant Program (CDBG)

##### Reference 24 CFR 91.320(k)(1)

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed	50,000
2. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan.	0
3. The amount of surplus funds from urban renewal settlements	0
4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan	0
5. The amount of income from float-funded activities	0
<b>Total Program Income:</b>	<b>50,000</b>

#### Other CDBG Requirements

1. The amount of urgent need activities	2
2. The estimated percentage of CDBG funds that will be used for activities that benefit persons of low and moderate income. Overall Benefit - A consecutive period of one, two or three years may be used to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit persons of low and moderate income. Specify the years covered that include this Annual Action Plan.	78.00%

#### HOME Investment Partnership Program (HOME)

##### Reference 24 CFR 91.320(k)(2)

1. A description of other forms of investment being used beyond those identified in Section 92.205 is

as follows:

The commonwealth utilizes only forms of investment included in Section 92.205.

2. A description of the guidelines that will be used for resale or recapture of HOME funds when used for homebuyer activities as required in 92.254, is as follows:

#### Recapture Provision: Direct Buyer Assistance

Homebuyer HOME-assisted units structured as direct buyer assistance are subject to a recapture provision that ensures that DHCD recovers its HOME investment in the event of voluntary or involuntary transfer of the property during the period of affordability. Direct homebuyer assistance consists of any financial assistance that reduces the purchase price from fair market value to an affordable price, or otherwise subsidizes the purchase (e.g., down payment or closing costs assistance). Please note that in some instances, there may also be HOME assistance toward development costs along with direct homebuyer assistance. In these cases, the amount to be recaptured is limited to the amount of direct buyer assistance/subsidy (and does not include the development assistance).

The homebuyer must maintain the property as their principal residence throughout the period of affordability. If the property is voluntarily or involuntarily transferred during the period of affordability, the property is subject to the recapture provisions outlined here.

Virginia will use the recapture provision at §92.254(a)(5)(ii)(1) and recapture the entire amount of the direct HOME subsidy. The total original amount of the direct buyer assistance is recaptured from the net proceeds in the case of sale, refinance (see exception below), or foreclosure. Net proceeds are defined as the sales price minus superior loan repayment (other than HOME funds) and any closing costs. In these cases, the required amount returned (total assistance amount from net proceeds) is due and payable in full to DHCD. The HOME recaptured amount may not exceed available net proceeds. In the event net proceeds are insufficient to recover the full amount due, the DHCD will recapture the available net proceeds and the HOME obligation will be satisfied. The HOME assistance may not be subordinated to refinancing of the first lien position primary mortgage or an equity loan or line of credit during the period of affordability except under special hardship conditions at DHCD's discretion.

Affordability requirements are secured by a Restricted Deed of Covenant in the amount of direct assistance. In addition, DHCD executes an agreement with the homebuyer to secure the affordability requirements (terms of recapture, principal residency requirement, and noncompliance.) If the property is not sold or transferred during the affordability period, the HOME

loan is forgiven in full at the end of the affordability period.

#### Resale Requirement: (Homebuyer Development Subsidy Only)

In situations where the HOME assistance is structured as a development subsidy only (i.e., there is no direct subsidy to the homebuyer and the only HOME assistance is the amount of funds between the total cost to rehabilitate or construct the unit and the fair market value), Virginia requires the use of a resale provision. This means, upon voluntary or involuntary transfer of the property within the applicable affordability period, the home must be resold to an income eligible homebuyer at an affordable price, and the original homebuyer must receive a fair return on his/her investment.

The full provision is on file with the HUD field office.

3. A description of the guidelines for resale or recapture that ensures the affordability of units acquired with HOME funds. See 24 CFR 92.254(a)(4) are as follows:

#### Reasonable Range of Low-Income Buyers

A “reasonable range of low-income buyers” is defined in the VA Program as a household or family with income not greater than 80 percent AMI but at least 60 percent AMI. DHCD defines the sales price that is affordable to this group as an amount whereby the household mortgage payment requires it pay no more than 30 percent of its income for housing costs (principal, interest, property taxes, and insurance).

Please note that the resale price is based on a fair return on investment outlined above. If the resale price is not affordable to the reasonable range of low-income buyers, down payment assistance and/or second mortgage assistance may be provided by DHCD and/or sub-recipients in order to assure affordability to the homebuyer.

VA will use deed restrictions or covenants running with the land to impose the resale and continued affordability requirements as outlined in §92.254(a)(5)(i)(A) of the HOME Rule.

#### Noncompliance

During the period of affordability, the owner’s compliance with the principal residency requirement will be monitored. A homebuyer is noncompliant with the HOME affordability requirements if he/she fails to reside in the unit as their principal residence without transferring title (i.e., by either vacating or renting the unit to another occupant), or if he/she sells the property without complying with the applicable resale or recapture provision. In the event of noncompliance, DHCD reserves the right to require the buyer to repay the entire HOME investment (including the direct subsidy and

any additional development subsidy provided).

4. Plans for using HOME funds to refinance existing debt secured by multifamily housing that is rehabilitated with HOME funds along with a description of the refinancing guidelines required that will be used under 24 CFR 92.206(b), are as follows:

HOME funds will not be used to refinance existing debt secured by multifamily housing that is rehabilitated with HOME funds.

### **Emergency Solutions Grant (ESG) Reference 91.320(k)(3)**

1. Include written standards for providing ESG assistance (may include as attachment)

The commonwealth requires that all ESG sub-grantees submit to DHCD written standards (policies and procedures) for providing ESG assistance. At a minimum, written standards must be low-barrier and housing focused. The standards are required to cover process for determining program eligibility, prioritization, and level of assistance; confidentiality procedures; conflict of interest policies; a written grievance policy; data collection requirements; as well as applicable federal and state regulations (fair housing, involuntary separation, ADA, etc.).

2. If the Continuum of Care has established centralized or coordinated assessment system that meets HUD requirements, describe that centralized or coordinated assessment system.

All CoCs, Balance of State local planning groups, and all DHCD homeless services grantees must use a local centralized or coordinated assessment/entry system. A local centralized or coordinated assessment/entry system is best practice for a housing-focused approach targeted to helping households experiencing homelessness quickly regain stability in permanent housing. This best practice is also essential to help divert, where possible, households seeking homeless services from shelter – preventing new cases of homelessness.

A centralized or coordinated assessment/entry system must:

- Provide coordinated program participant intakes, assessments, and referrals;
- Cover the CoC or local planning group geographic area;
- Provide easy access for individuals and families seeking housing or services;
- Provide a comprehensive and standardized assessment tool.

Each centralized or coordinated assessment system must have in place written standards for determining program eligibility, prioritization, and level of assistance. Each system must conduct regular evaluations to determine overall effectiveness for process improvement measures.

CoCs and local planning groups must provide a local method and point-of-contact appropriate for referrals from state agencies and providers outside of their CoC or local planning group. This contact must directly link individuals or providers to the centralized or coordinated assessment system.

3. Identify the process for making sub-awards and describe how the ESG allocation available to private nonprofit organizations (including community and faith-based organizations).

The commonwealth will make sub-awards through a CoC-based application process. CoCs must submit applications for funding through DHCD's online Centralized Applications and Management System (CAMS). The application will be reviewed by a panel and evaluated based on local need, capacity, approach, and local coordination. Applications will identify specific grantees within the CoC to carry out eligible activities. DHCD will contract directly with these grantees. Both nonprofits and units of local government are eligible grantees. Faith-based organizations are required to have separate 501 c 3 status established to meet eligibility requirements. DHCD will monitor individual grantees. Performance measures will be evaluated on both the grantee and CoC level.

4. If the jurisdiction is unable to meet the homeless participation requirement in 24 CFR 576.405(a), the jurisdiction must specify its plan for reaching out to and consulting with homeless or formerly homeless individuals in considering policies and funding decisions regarding facilities and services funded under ESG.

Not applicable to state grantees.

5. Describe performance standards for evaluating ESG.

Performance measures are evaluated on both the grantee and CoC level. Specifically, DHCD's goals are to reduce the number of individuals experiencing homelessness, to shorten the length of time people experience homelessness, and to reduce the number of individuals returning to homelessness.

DHCD has had each CoC, and local planning group provide an annual project end of year report. DHCD evaluates aggregate HUD CoC System Performance Measures Data for the evaluation of CoC systems and the homeless crisis response system in Virginia. This report aligns with HUDs System Performance Measures report and is used to rate the performance of each CoC/LPG's crisis system and impacts state funding decisions including ESG.

**Housing Trust Fund (HTF)**  
**Reference 24 CFR 91.320(k)(5)**

1. How will the grantee distribute its HTF funds? Select all that apply:

Applications submitted by eligible recipients.

2. If distributing HTF funds through grants to subgrantees, describe the method for distributing HTF funds through grants to subgrantees and how those funds will be made available to state agencies and/or units of general local government. If not distributing funds through grants to subgrantees, enter "N/A".

Not applicable.

3. If distributing HTF funds by selecting applications submitted by eligible recipients,

a. Describe the eligibility requirements for recipients of HTF funds (as defined in 24 CFR § 93.2). If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

Eligibility requirements are as follows:

- Must be an organization, agency, or other entity (including a public housing agency, or a for-profit entity or a nonprofit entity);
- Must be owner or developer of proposed project;
- Must agree to comply with NHTF requirements and all cross-cutting federal requirements;
- Must demonstrate the financial capacity to undertake and manage the project development and long-term compliance);
- Must have experience with development and management of similar projects (project type, funding/regulatory requirements, and target population).

b. Describe the grantee's application requirements for eligible recipients to apply for HTF funds. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

Applicant must be an eligible organization with eligible projects. Applications must be submitted in CAMS through the Affordable and Special Needs application by the due date. Please see program guidelines and/or the methods of distribution for more details.

c. Describe the selection criteria that the grantee will use to select applications submitted by eligible recipients. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

DHCD will select applications using a competitive application process that evaluates proposals on the criteria listed below. Please note there are several individual measures included under each of these

basic criteria:

- Meeting critical local need (worth 40 points);
- Feasibility – likelihood of projects coming to a timely, successful completion and likelihood of compliance through affordability period (worth 30 points);
- Developer capacity –ability to successfully complete projects and deliver affordable housing (worth 30 points);
- Minimum of 60 out of 100 points required as threshold for funding.

Please see the Affordable and Special Needs Housing program guidelines for more details.

d. Describe the grantee’s required priority for funding based on geographic diversity (as defined by the grantee in the consolidated plan). If not distributing funds by selecting applications submitted by eligible recipients, enter “N/A”.

Describe the basis for allocating investments geographically within the state: Virginia’s project selection process is an open and competitive application where eligible applicants submit project proposals, and all proposals meeting threshold requirements are reviewed and scored. Priority and scoring preferences are given to high quality projects meeting the highest needs based on income targeting and local market needs. Please see the methods of distribution for more details.

e. Describe the grantee’s required priority for funding based on the applicant's ability to obligate HTF funds and undertake eligible activities in a timely manner. If not distributing funds by selecting applications submitted by eligible recipients, enter “N/A”.

Overall project readiness is evaluated under elements of feasibility (see above). DHCD's application review process is designed to score projects relatively higher based on the degree to which the project is positioned to proceed in a timely manner.

Overall development team capacity is evaluated under elements of capacity (see above). DHCD's application review process is designed to score applications relatively higher based on the degree to which the development team has demonstrated success with similar projects. Project management’s experience managing similar projects is also a scoring criterion under overall capacity.

f. Describe the grantee’s required priority for funding based on the extent to which the rental project has Federal, State, or local project-based rental assistance so that rents are affordable to extremely low-income families. If not distributing funds by selecting applications submitted by eligible recipients, enter “N/A”.

Applications including rental assistance receive points under the Need criteria (above).

g. Describe the grantee's required priority for funding based on the financial feasibility of the project beyond the required 30-year period. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

DHCD is not currently considering affordability beyond the required 30 years.

h. Describe the grantee's required priority for funding based on the merits of the application in meeting the priority housing needs of the grantee (such as housing that is accessible to transit or employment centers, housing that includes green building and sustainable development features, or housing that serves special needs populations). If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

Project must include units targeted at 30 percent or below to be eligible. Those projects also including units targeted to special needs population will receive scoring preference under the Need criteria (above). In addition, applicants receive points under Need (above) for green-building certification, universal design elements, exceeding accessibility (504) requirements, and access to community-based services.

i. Describe the grantee's required priority for funding based on the extent to which the application makes use of non-federal funding sources. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

Typically, projects require multiple funding sources in order to address cash flow needs. Applications are evaluated based on the degree to which the requested funds are needed in the project, the degree to which other funding commitments are in place, and the degree to which these funds will help to leverage other resources. Projects that leverage a diversity of resources will be given a scoring preference.

4. Does the grantee's application require the applicant to include a description of the eligible activities to be conducted with HTF funds? If not distributing funds by selecting applications submitted by eligible recipients, select "N/A".

Yes

5. Does the grantee's application require that each eligible recipient certify that housing units assisted with HTF funds will comply with HTF requirements? If not distributing funds by selecting applications submitted by eligible recipients, select "N/A".

Yes

**6. Performance Goals and Benchmarks.** The grantee has met the requirement to provide for performance goals and benchmarks against which the grantee will measure its progress, consistent with the grantee's goals established under 24 CFR 91.315(b)(2), by including HTF in its housing goals in the housing table on the SP-45 Goals and AP-20 Annual Goals and Objectives screens.

Yes

**7. Maximum Per-unit Development Subsidy Amount for Housing Assisted with HTF Funds.**

Enter or attach the grantee's maximum per-unit development subsidy limits for housing assisted with HTF funds.

The limits must be adjusted for the number of bedrooms and the geographic location of the project. The limits must also be reasonable and based on actual costs of developing non-luxury housing in the area.

If the grantee will use existing limits developed for other federal programs such as the Low Income Housing Tax Credit (LIHTC) per unit cost limits, HOME's maximum per-unit subsidy amounts, and/or Public Housing Development Cost Limits (TDCs), it must include a description of how the HTF maximum per-unit development subsidy limits were established or a description of how existing limits developed for another program and being adopted for HTF meet the HTF requirements specified above.

The limits must be adjusted for the number of bedrooms and the geographic location of the project. The limits must also be reasonable and based on actual costs of developing non-luxury housing in the area.

If the grantee will use existing limits developed for other federal programs such as the Low Income Housing Tax Credit (LIHTC) per unit cost limits, HOME's maximum per-unit subsidy amounts, and/or Public Housing Development Cost Limits (TDCs), it must include a description of how the HTF maximum per-unit development subsidy limits were established or a description of how existing limits developed for another program and being adopted for HTF meet the HTF requirements specified above.

The maximum per-unit subsidy limits for the NHTF will be set at HUD's applicable limits for the to the HOME program. These will be applied statewide and are adjusted by the number of bedrooms per unit. These limits are currently as follows:

Maximum Subsidy Limits

0-Bedroom \$140,107

1-Bedroom \$160,615

Consolidated Plan

VIRGINIA

2-Bedroom \$195,304

3-Bedroom \$252,662

4+-Bedroom \$277,344

The decision to use the HOME subsidy limits and apply them statewide is based on an analysis of actual development costs for properties in Virginia where there was little variation in average project costs during 2010- 2015 across the state's counties.

Please note that in addition to the subsidy limit, DHCD also applies a subsidy layering analysis to assure that the level of subsidy does not exceed the actual allowable development costs of the unit, that the costs are reasonable and in line with similar projects across the state, that the developer is not receiving excessive profit, and that the NHFT funding does not exceed the amount necessary for the project to be successful for the required 30-year affordability period.

While the Virginia does not include any geographic priorities for funding. Funding requests are evaluated based on local needs/demand relative to all applications submitted for review.

**8. Rehabilitation Standards.** The grantee must establish rehabilitation standards for all HTF-assisted housing rehabilitation activities that set forth the requirements that the housing must meet upon project completion. The grantee's description of its standards must be in sufficient detail to determine the required rehabilitation work including methods and materials. The standards may refer to applicable codes or they may establish requirements that exceed the minimum requirements of the codes. The grantee must attach its rehabilitation standards below.

In addition, the rehabilitation standards must address each of the following: health and safety; major systems; lead-based paint; accessibility; disaster mitigation (where relevant); state and local codes, ordinances, and zoning requirements; Uniform Physical Condition Standards; Capital Needs Assessments (if applicable); and broadband infrastructure (if applicable).

In addition, the rehabilitation standards must address each of the following: health and safety; major systems; lead-based paint; accessibility; disaster mitigation (where relevant); state and local codes, ordinances, and zoning requirements; Uniform Physical Condition Standards; and Capital Needs Assessments (if applicable).

The revised rehabilitation standards are attached to this plan.